

Assembly Bill 2642 (Maddox)

Campaign: Filing of electronic and paper reports

Version: As introduced, February 22, 2002

Status: Hearing in Assembly Elections Committee
April 2, 2002

History of Bill

AB 2642 is authored by Assembly Member Ken Maddox and sponsored by the Secretary of State. This bill would eliminate duplicate paper campaign filings at the local level for state office candidates. The bill would reduce the threshold for online reporting from \$50,000 to \$10,000.¹

Existing Law and Regulations

Beginning with the primary election in 2000, certain state candidates, state committees, slate mailer organizations and lobbying entities began filing electronic reports with the Secretary of State. The threshold at which electronic filing was triggered was \$100,000 through June 30, 2002, and was lowered to \$50,000 on July 1, 2000. Paper copies of campaign reports are still required to be filed with the Secretary of State and with local filing officers under section 84215.²

Authority to eliminate the local filing officer reporting requirement is already provided in the Act. Section 84606 provides that the Secretary of State, in consultation with the Commission, shall determine when the online system is operating effectively.³ Upon this determination, filers will no longer be required to file duplicate campaign reports with local filing officers.

Background

Commission staff proposed sponsorship of the first component of this bill (the elimination of local filing requirements for state candidates who file electronically with the Secretary of State) as part of its 2002 legislative package.

¹ §84605 requires candidates and committees that raise and expend a cumulative total of \$50,000 since January 1, 2000, to file electronically with the Secretary of State.

² §84215 requires statewide candidates to file duplicate campaign statements in Los Angeles County, County of San Francisco. State candidates are required to file duplicate campaign statements locally with the "clerk of the county with the largest number of registered voters in the districts affected."

³ §84606 states "The Secretary of State shall determine and publicly disclose when the online and electronic disclosure systems are operating effectively. In making this determination, the Secretary of State shall consult with the Commission, the Department of Information Technology, and any other appropriate public or private entity. The online or electronic disclosure system shall not become operative until the Department of Information Technology approves the system. Upon this determination, filers required by this chapter to file online or electronically will no longer be required to file a paper copy or with local filing officers. Furthermore, the date that a filer transmits an online or electronic report shall be the date the filed report is received by the Secretary of State."

In response, Los Angeles County Registrar-Recorder's office stated that they receive frequent requests for access to the paper campaign reports from members of the public and from the media. Moreover, FPPC Enforcement Division staff stated they continue to rely on paper copies of campaign reports for many purposes. Even within this past year, FPPC Enforcement Division investigators have had to contact local filing officers to obtain campaign reports that were not available or could not be found at the Secretary of State's office. Based upon these concerns, the Commission unanimously rejected the proposal.

Discussion and Policy Considerations

Filing Reports at Local Level

Currently state committees that file electronically with the Secretary of State must file a paper copy with the Secretary of State and paper copies with local filing officers in their jurisdictions, as required by 84215(a) and (b). AB 2642 adds section 84606 subdivision (b), providing that state committees that file electronically with the Secretary of State no longer have to file paper copies of their reports with local filing officers effective January 1, 2003. The committees would still have to file a paper copy with the Secretary of State, until the Secretary of State makes a determination that the paper copy is not needed.

The Secretary of State has not made the determination, in accordance with Section 84606, that the on-line disclosure system is operating effectively. There continue to be problems finding and accessing data on the Cal Access system. As a result, the Enforcement Division relies on the paper filings at the local level with some frequency.

Arguments in Favor Elimination of Paper Filing Requirements	Arguments Against Elimination of Paper Filing Requirements
Saves resources and reduces redundancy	According to L.A., they receive many requests from the media and public to access information at the local level
Hard copies would continue to be filed with the Secretary of State.	Not everyone has Internet access. Fewer people have the high-speed Internet service that makes retrieving data on CalAccess easier.
	Enforcement Division uses statements filed at the local level as a back-up for information filed at the Secretary of State.

\$10,000 On-line Filing Requirement

Reducing the electronic disclosure requirements to \$10,000 would insure that most, if not all, of the reports filed by state elective office candidates would be available online for inspection by the public. The Political Reform Act strongly supports disclosure.⁴ However, one competing concern is that the data available should be useful for members of the public or the media. Reducing the threshold at this time may delay addressing problems within the electronic reporting system. In short, it may be premature to lower the electronic reporting threshold.

Staff Recommendation:

Staff recommends that the Commission oppose AB 2642 unless amended to remove subdivision (b) because:

1. Authority exists for the Secretary of State to eliminate duplicate campaign reporting requirements in Government Code Section 84606.
2. It is premature to eliminate the local filing requirement.

Staff has no concerns regarding the amendment to Section 84605, but Commission consideration is necessary to weigh the pros and cons of lowering the on-line filing threshold requirement.

⁴ 81002(a). Receipts and expenditures in election campaigns should be fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited.